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(Original Signature of Member)

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

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**IN THE HOUSE OF REPRESENTATIVES**

Mrs. MALONEY of New York introduced the following bill; which was referred  
to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Robert T. Stafford Disaster Relief and Emer-  
gency Assistance Act to modify the terms of the commu-  
nity disaster loan program, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Community Disaster  
5       Loan Equity Act of 2002”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) Major disasters, including disasters caused  
4 by terrorist acts, often result in a decline in eco-  
5 nomic activity in areas affected by the disaster and  
6 a reduction in tax collections by State and local gov-  
7 ernments serving those areas.

8 (2) A report of the General Accounting Office  
9 entitled “Review of the Estimates for the Impact of  
10 the September 11, 2001, Terrorist Attacks on New  
11 York Tax Revenues”, dated July 26, 2002, esti-  
12 mates that—

13 (A) for fiscal year 2002, tax revenue losses  
14 for New York City will be \$1,600,000,000 and  
15 tax revenue losses for the State of New York  
16 will be \$1,600,000,000; and

17 (B) for fiscal year 2003, tax revenue losses  
18 for New York City will be \$1,400,000,000 and  
19 tax revenue losses for the State of New York  
20 will be \$4,200,000,000.

21 (3) As a result of the major disaster caused by  
22 terrorist attacks of September 11, 2001, the City of  
23 New York also experienced substantial additional  
24 unreimbursed disaster-related expenses of  
25 \$650,000,000.

1           (4) Under the community disaster loan program  
2           (in this section referred to as the “CDL program”),  
3           as authorized by the Robert T. Stafford Disaster  
4           Relief and Emergency Assistance Act, the President  
5           may make loans to a local government suffering a  
6           substantial loss of tax and other revenues as a result  
7           of a major disaster, if the local government dem-  
8           onstrates a need for financial assistance in order to  
9           preform its governmental function.

10          (5) The President may cancel the repayment of  
11          all or any part of a loan made to a local government  
12          under the CDL program if revenues following the  
13          disaster are insufficient to meet the operating budg-  
14          et of that local government as a result of disaster-  
15          related revenue losses and additional unreimbursed  
16          disaster-related municipal operating expenses. In the  
17          case of a major disaster resulting from a terrorist  
18          attack, repayment of interest or principal on a loan  
19          made under the CDL program should not be re-  
20          quired.

21          (6) Assistance made available under the CDL  
22          program is often instrumental in aiding the full re-  
23          covery of a local government following a major dis-  
24          aster.

1           (7) The Disaster Mitigation Act of 2000 estab-  
2           lished a \$5,000,000 limitation on loans made to a  
3           local government under the CDL program in connec-  
4           tion with a major disaster. Before the date of enact-  
5           ment of such Act, there was not any limitation on  
6           the amount of such loans.

7           (8) The \$5,000,0000 limitation is inequitable  
8           when applied to a local government serving a largely  
9           populated area, such as New York City, and is in-  
10          consistent with the objective of the CDL program to  
11          provide meaningful assistance to a local government  
12          recovering from a major disaster.

13 **SEC. 3. COMMUNITY DISASTER LOANS.**

14          (a) ELIGIBILITY OF STATES.—Section 417 of the  
15          Robert T. Stafford Disaster Relief and Emergency Assist-  
16          ance Act (42 U.S.C. 5184) is amended by striking “local  
17          government” each place it appears and inserting “State  
18          or local government”.

19          (b) AMOUNT.—Section 417(b) of such Act (42 U.S.C.  
20          5184(b)) is amended—

21                  (1) by striking “based on need, shall” and in-  
22                  serting “based on need and shall”; and

23                  (2) by striking “, and shall not exceed  
24                  \$5,000,000”.

1       (c) MAJOR DISASTERS CAUSED BY TERRORIST AT-  
2 TACKS.—Section 417 of such Act (42 U.S.C. 5184) is  
3 amended by adding at the end the following:

4       “(e) MAJOR DISASTERS CAUSED BY TERRORIST AT-  
5 TACKS.—The President shall not require the payment of  
6 any interest or principal on a loan made under this section  
7 to a State or local government which may suffer a sub-  
8 stantial loss of tax and other revenues as a result of a  
9 major disaster caused by a terrorist attack.”.

10       (d) APPLICABILITY.—The amendments made by this  
11 section shall apply with respect to any major disaster oc-  
12 ccurring on or after October 30, 2000.